



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

September 21, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AMENDMENT NO. 4 TO LEASE NO. 61564
PUBLIC DEFENDER
3655 TORRANCE BOULEVARD, TORRANCE
(FOURTH DISTRICT) (3 VOTES)**

SUBJECT

This recommendation is for a five-year lease amendment for 8,106 rentable square feet for the Public Defender to provide continued use of existing office space and 27 parking spaces.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the proposed amendment is categorically exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, per Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Chair to sign the five-year amendment with Omnis International, LLC (Lessor) for the continued occupancy of 8,106 rentable square feet of office located at 3655 Torrance Boulevard, Torrance, and 27 parking spaces for the Public Defender at an annual rental cost of \$170,226. The rental costs are net County cost.
3. Authorize the Chief Executive Officer and the Public Defender to implement the project. The lease amendment will be effective upon approval by your Board.

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
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Fifth District

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The proposed agreement will allow the Public Defender (PD) to continue its operation of the Torrance branch office for an additional five years. The PD has occupied this facility since December 1989. The current lease expired on April 11, 2010, and is currently on a month-to-month holdover basis.

The office houses approximately 34 attorneys, investigators and clerical staff who provide direct legal services and counsel to indigent persons summoned for court proceedings at the nearby Torrance Courthouse.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we improve operations and processes to increase effectiveness, enhance customer service and support responsive County of Los Angeles (County) operations (Goal 1). In this case, the lease amendment supports this goal with a suitably located office with appropriate workspace for the PD as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed extension will provide PD uninterrupted use of 8,106 square feet of office space and 27 parking spaces at the current monthly rent of approximately \$14,185 per month, or \$170,226 annually, fixed for the remaining term of the lease. In addition, a base tenant improvement allowance of \$7 per square foot, or \$56,742, was negotiated for new carpet and paint within the County's office space.

| 3655 Torrance Blvd., Torrance | Existing Lease Amendment No. 3 | Proposed Lease Amendment No. 4 | Change |
|--------------------------------------|--|--|-------------------------|
| Area (square feet) | 8,106 | 8,106 | None |
| Term | (4/12/2005-4/11/2010) currently month-to-month | Five years upon Board adoption | +Five years |
| Annual Rent | \$170,226 (\$21/sq.ft.) | \$170,226 (\$21/sq.ft.) | None |
| TI Allowance | N/A | \$56,742 (\$7/sq.ft.) | +\$56,742 (+\$7/sq.ft.) |
| Cancellation | County may cancel any time after 30 months with 90 days notice | County may cancel any time after 30 months with 90 days notice | None |
| Parking (included) | 27 | 27 | None |
| Option to Renew | None | None | None |
| Rental Adjustment | None | None | None |

This is a full-service lease whereby the Lessor is responsible for all operating costs associated with the County's occupancy. The rental rate of \$1.75/\$21 per square foot per month/year will be fixed through the extended term of the lease. Parking is included in the rental rate.

Sufficient funding for the proposed lease costs is included in the 2010-11 Rent Expense budget and will be billed back to PD. PD has sufficient funding in its 2010-11 operating budget to cover the projected lease costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease amendment contains the following provisions:

- Commencement of five-year term upon approval by your Board.
- A full-service gross basis with the Lessor responsible for all operating and maintenance costs.
- A TI allowance of seven dollars per square foot for new carpet and paint included in the rent.
- A cancellation provision allowing the County to cancel any time after 30 months with 90 days prior written notice and payment of a cancellation fee equal to the unamortized balance of the TI costs.

The Chief Executive Office (CEO) Real Estate staff conducted a survey within the search area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically, nor are there any County-owned or leased facilities available for this program. Based upon said survey, staff has established that the rental range for similar office space is between \$21 and \$30 per square foot per year on a full-service gross basis. Thus, the annual rent of \$21 per square foot per year full-service, including parking, for the proposed lease represents a rate within the market range for the area. Attachment B shows County-owned or leased facilities in the proximity of the service area and there are no suitable County-owned or leased facilities available for the program.

The Office of Affirmative Action Compliance (OAAC) has inspected the leased premises and related common areas to assess Americans with Disabilities Act (ADA) accessibility compliance. A report identifying barriers to accessibility has been completed by the OAAC and provided to the CEO and PD. Pursuant to the report, the CEO, PD, and the Lessor are engaged in a collaborative effort to address the removal of barriers to improve accessibility to programs, services, and activities.

The Department of Public Works has inspected this facility and found it suitable for the County's occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

ENVIRONMENTAL DOCUMENTATION

The CEO has concluded that this project is exempt from California Environmental Quality Act (CEQA) as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed agreement will adequately provide the necessary office space for this County requirement. PD concurs with the proposed recommendation.

The Honorable Board of Supervisors
September 21, 2010
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CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return three originals of the executed amendment, two certified copies of the Minute Order and the adopted, stamped Board letter to the CEO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:BC:SK
WLD:CEM:MAC:hd

Attachments

c: Executive Office
County Counsel
Auditor-Controller
Public Defender

3655Torrance.BL

PUBLIC DEFENDER
3655 TORRANCE BOULEVARD, TORRANCE
Asset Management Principles Compliance Form¹

| | | | | | |
|---|---|--|------------|-----------|------------|
| 1. | <u>Occupancy</u> | | Yes | No | N/A |
| A | Does lease consolidate administrative functions? ² | | | | X |
| B | Does lease co-locate with other functions to better serve clients? ² | | | X | |
| C | Does this lease centralize business support functions? ² | | | | X |
| D | Does this lease meet the guideline of 200 sq. ft of space per person? ² 238 square feet per person based on specific needs of this program. | | X | | |
| 2. | <u>Capital</u> | | | | |
| A | Is it a substantial net County cost (NCC) program? 100% NCC | | X | | |
| B | Is this a long term County program? | | X | | |
| C | If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy? | | | X | |
| D | If no, are there any suitable County-owned facilities available? No, see E below. | | | X | |
| E | If yes, why is lease being recommended over occupancy in County-owned space? There is insufficient space at the Torrance Courthouse to accommodate this group. | | | | X |
| F | Is Building Description Report attached as Attachment B? | | X | | |
| G | Was build-to-suit or capital project considered? | | | | X |
| 3. | <u>Portfolio Management</u> | | | | |
| A | Did department utilize CEO Space Request Evaluation (SRE)? | | X | | |
| B | Was the space need justified? | | X | | |
| C | If a renewal lease, was co-location with other County departments considered? | | X | | |
| D | Why was this program not co-located? | | | | |
| | 1. ____ The program clientele requires a "stand alone" facility. | | | | |
| | 2. ____ No suitable County occupied properties in project area. | | | | |
| | 3. <u>X</u> No County-owned facilities available for the project. | | | | |
| | 4. ____ Could not get City clearance or approval. | | | | |
| | 5. ____ The Program is being co-located. | | | | |
| E | Is lease a full service lease? ² | | X | | |
| F | Has growth projection been considered in space request? | | X | | |
| G | Has the Dept. of Public Works completed seismic review/approval? | | X | | |
| ¹ As approved by the Board of Supervisors 11/17/98 | | | | | |
| ² If not, why not? | | | | | |

**PUBLIC DEFENDER
SPACE SEARCH – 1 MILE RADIUS FROM TORRANCE COURTHOUSE**

| LACO | FACILITY NAME | ADDRESS | SQUARE GROSS | FEET NET | OWNERSHIP | SQ. FT. AVAILABLE |
|-------------|---|------------------------------------|-------------------------|---------------------|------------------|------------------------------|
| A655 | PUB DEFENDER-TORRANCE BRANCH OFFICES | 3655 TORRANCE BL., TORRANCE 90503 | 3763 | 3650 | LEASED | NONE |
| A655 | ALT PD -TORRANCE BRANCH OFFICES | 3655 TORRANCE BL., TORRANCE 90503 | 8106 | 4968 | LEASED | NONE |
| T825 | TORRANCE COURT-STEPHEN E O'NEIL JURY ASSEMBLY | 825 MAPLE AVE, TORRANCE 90503-5058 | 2874 | 2874 | OWNED | NONE |
| 5177 | TORRANCE COURTHOUSE | 825 MAPLE AVE, TORRANCE 90503-5058 | 126145 | 93674 | OWNED | NONE |
| 5043 | TORRANCE COURTHOUSE-ANNEX | 3221 TORRANCE BLVD, TORRANCE 90503 | 15126 | 12831 | OWNED | NONE |
| T019 | TORRANCE COURTHOUSE-TRAFFIC DIVISION | 3221 TORRANCE BLVD, TORRANCE 90503 | 2891 | 2891 | OWNED | NONE |
| 0921 | HS-OLD TORRANCE PUBLIC HEALTH CENTER (CLOSED) | 2300 W CARSON ST, TORRANCE 90501 | 11306 | 6036 | OWNED | 6036 |

AMENDMENT No. 4 TO LEASE No. 61564
PUBLIC DEFENDER
3655 TORRANCE BOULEVARD, SUITE 200, TORRANCE

THIS AMENDMENT No. 4 to Lease No. 61564 ("Amendment" or "Amendment No. 4") is made and entered into this ____ day of _____, 2010 by and between OMNIS INTERNATIONAL, LLC, a California limited liability company, hereinafter referred to as "Lessor" and the COUNTY OF LOS ANGELES, a body corporate and politic, hereinafter referred to as "Lessee."

WHEREAS, Lease No. 61564 was amended for the third time effective on April 12, 2005 (Lease No. 61564 and all amendments are collectively referred to hereinafter as the "Lease") allowing Lessee to lease approximately 8,106 rentable square feet at 3655 Torrance Boulevard, Suite 200, Torrance (the "Premises"), and;

WHEREAS, the Lessor and Lessee desire to renew and make modifications to the Lease, and in connection therewith, Lessor and Lessee desire to amend the Lease as hereinafter provided.

NOW THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants and agreements herein contained and intending to be legally bound hereby, Lessor and Lessee hereby covenant and agree as follows:

1. EXTENSION OF THE LEASE TERM. Lessor and Lessee acknowledge that Lessee's lease of the Premises is on a month-to-month tenancy as of April 12, 2010, pursuant to the Holdover provision of Paragraph 6 of the Lease. Notwithstanding anything to the contrary in the Lease, Paragraph 2 of Lease No. 61564 is hereby amended to extend the Lease term for an additional five (5) years commencing upon the full execution of this Amendment ("Extension Commencement Date"). The Lease shall expire at 11:59 pm on the day before the fifth (5th) anniversary of the Extension Commencement Date, unless sooner terminated as provided in the Lease, as hereby amended. The period of time commencing on the Extension Commencement Date and terminating on the Lease Expiration Date shall be referred to herein as the "Extension Term."

2. RENT. As of the Extension Commencement Date, the Base Rent as set forth in Paragraph 3 of the Lease remains at the current rate of Fourteen Thousand One Hundred Eighty-Five and 50/100 Dollars (\$14,185.50) per month, i.e., \$1.75 per square foot per month.

3. CANCELLATION. As of the Extension Commencement Date, the Cancellation right as set forth in Paragraph 5 of the is hereby amended such that Lessee shall have the right to cancel this Lease at or any time after the thirtieth (30th) month of the Extension Term by giving Lessor not less than ninety (90) days prior written notice by Chief Executive Office Letter. In the event of such cancellation, Lessee will pay a fee equal to the unamortized portion of verified tenant improvement expenses and brokerage commissions amortized at eight percent (8%) interest.

4. TENANT IMPROVEMENTS. Lessor, within fifteen (15) days after receipt of a duly executed copy of this Lease, shall begin work on the Tenant Improvements per the County plans and specifications, up to a maximum cost of \$56,742, i.e., \$7 per rentable square foot, (the "Allowance"), such cost to be borne solely by Lessor. Said work shall be completed no later than six months from the date this Amendment No. 4 is executed by the parties.

Should the cost of said work be less than the amount of the Allowance, Landlord agrees to reimburse Tenant the difference up to a maximum of twenty percent of the Allowance, i.e., \$11,348, in the form of rental abatement. Notwithstanding the foregoing, in no event shall less than 80% of the Allowance be used for tenant improvement construction work.

5. ADA COMPLIANCE. Lessor, shall at its sole cost mitigate the applicable ADA barriers identified on the Office of Affirmative Action Compliance report dated June 4, 2009, a copy of which has been provided to the Lessor.

6. All undefined terms when used herein shall have the same respective meanings as set forth in the Lease unless expressly provided otherwise in this Amendment No. 4.

7. Each of the signatories for the Lessor personally covenant, warrant and guarantee that each of them, jointly and severally, have the power and authority to execute this Amendment No. 4 upon the terms and conditions stated herein and each agrees to indemnify and hold harmless Lessee from all damages, costs, and expenses, which result from a breach of this representation.

8. In the event of a conflict between the terms and conditions of this Amendment No. 4 and the terms and conditions of the Lease, the terms and conditions of this Amendment No. 4 shall prevail. All other terms and conditions contained in the Lease as amended shall remain in full force and effect.

IN WITNESS WHEREOF, the Lessor or Lessor's duly authorized representative has executed this Amendment No. 4 to Lease No. 61564 or cause it to be executed, the day, month and year first above written.

LANDLORD:

Omnis International, LLC , a California
Limited Liability Company

By: 

Name: GARY CHAN

Its: member/manager

TENANT:

COUNTY OF LOS ANGELES

WILLIAM T FUJIOKA
Chief Executive Officer

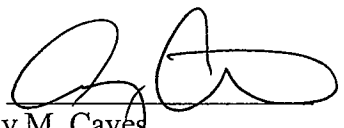
ATTEST:

By: _____

DEAN C. LOGAN
Recorder/County Clerk
Of the County of Los Angeles

By: _____
Deputy

APPROVED AS TO FORM:
Andrea Sheridan Ordin
County Counsel

By: 
Amy M. Caves
Senior Deputy